

**The Honorable Thomas M. Menino**  
**Address to the Boston Municipal Research Bureau Annual Meeting**  
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*Prepared for Delivery*

Thank you, Joe. It's good to be back with the Municipal Research Bureau.

We gather with gratitude for Boston's relative good fortune through tough times. And we look ahead with confidence. As we do, there is much debate in the country about government and priorities. I weigh in today the best way I know how: not with fancy words, but with concrete action.

Amid all the rhetoric, much of what we see is politicians working to get a leg up. I am about the politics of getting going. In Boston, when we hit a roadblock, we return to the drawing board, we innovate, and we move ahead.

Today, I introduce two strategies to deliver on a promise I made about one unique place. The first: a realignment of city assets that streamlines government and serves residents at their convenience. The second: a public-private partnership that allows us to invest in the heart of our city, with public purpose and accountability and private expertise and efficiency.

At the intersection of Washington and Warren Streets: The Dudley Plan. A roadmap for revitalizing Boston's core. Where these two roads meet, wait crosses to action.

This may seem like an odd time to make a big investment in Dudley Square – with the tough budget days ahead. This may even seem like a strange place to talk about it – at the Research Bureau. Here, the mechanics of city government have more often been the focus. But, this *is* the right time and the right place. The unemployment rate in Dudley is almost double the city average. That's wrong. That doesn't work for Boston. Fixing economic disparities *is* fixing the mechanics of the city.

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But first, I want to highlight some achievements and the budget hurdles we still face.

We are surrounded by signs that economic recovery is taking hold in Boston.

- We ranked third in the country for job growth in 2010, helping keep unemployment well below the national average and leading our region out of the recession.
- Our strong economy supported growing tourism and hospitality. Hotel occupancy was up 10 percent last year.
- \$2 billion of projects are under construction. More major developments are set to break ground.
- Work is already underway at Liberty Mutual's expanded headquarters. And they announced yesterday they have started to hire 100 new workers at the new IT center here.
- 29 new businesses opened in Boston's growing Innovation District in the last year and more are on the way. We're thrilled that Vertex plans to move 1,300 employees to Fan Pier and create an additional 500 jobs.

And yet, in contrast to these and many other positive signs, the budget road remains rough, and uncertainty is high.

- \$380 million of Recovery Act grants and bonds that supported investment in Boston are ending.
- The House Republican budget could cut another \$30 million to Boston right now.
- We face a likely \$25 million to \$35 million cut in local aid – the fourth straight year of cuts to our main source of revenue.
- These and other cuts threaten important community programs, including money for summer jobs. We will need your partnership this year more than ever.
- On top of the cuts, there are new costs. Health insurance for our employees will increase nearly \$20 million next year and reach over \$315 million overall.

That Boston has done so well is a tribute to the people who live and work here. Tough choices by those within government and outside of it have pushed us forward. Thank you Sam Tyler and the members of the Research Bureau. We need your work as we prepare a budget for 2012 and as we negotiate more than 40 union contracts that determine our ability to improve services in the years ahead.

Let me say this about the debate over public unions that is happening in Wisconsin and sweeping the country. Solving our budget challenges is about bringing people together, not driving them apart. Middle class work with decent benefits, on the one hand, and innovation and progress, on the other, are not mutually exclusive. We can be fair *and* flexible, if we work together.

I believe in collective bargaining. We are living in different times, so our negotiations do have to meet new needs.

On health care reform this means flexibility in plan design, giving cities the same power the state has. It would save Boston more than \$1 million a month. My proposal keeps the unions at the table, preserves collective bargaining, and provides city workers with the same structure a quarter of a million state workers already have. I will go to the State House Tuesday to testify in favor of these changes.

On the teachers contract, we need more hours in the classroom, the flexibility to assign teachers where they are needed, and the ability to better evaluate them. If we move away from a contract that serves adult interests, the kids *are* going to learn.

As mayors from around the Commonwealth go to the State House next week to talk about benefits reform, people at the extremes will say these are the new fault lines. We know better in Boston. Ours is a simple story of dollars and sense. There's no political agenda. No power struggle. We just can't afford the benefits of years past. And we can't do new things the same old way. Those who will say Massachusetts is the next front overstate the case, but if we don't make reasonable changes here, time could prove them right.

In these unsettled times, we don't shy away from our promises. We figure out new ways to keep them. Which brings me to my main point. Two new strategies, one place. In the heart of our city: Dudley Square.

At the center of both strategies is the site of the former Ferdinand's Furniture building. In 2004, I promised to fulfill a commitment that the State – under the previous administration – had dropped: to bring more people and economic life to historic Dudley Square. We paired that promise with a plan to build a new police station. It will open this summer. Then, in 2006 we acquired the Ferdinand's site with the intention of building a sustainable centerpiece in the square and bringing city workers there, as patrons and partners. We held a design competition and received many good proposals.

But then, the economy threw a wrench in our plans. However, we didn't give up. We managed the city through the crisis. As we came out of it, we turned our sights back to the Ferdinand and asked: How do we get this done? Here's The Dudley Plan.

First, we undertake the first realignment of the city's building portfolio in decades.

- We move BPS headquarters to Dudley, closer to the 56,000 kids they serve and their parents.
- We divest of buildings that are outdated and serve residents poorly to invest in assets that help them.
- We reduce the number of city administrative office buildings from 9 to 4, and avoid redundant maintenance and operating costs.
- We move Fire Headquarters from an outdated building on Southampton Street into upgraded facilities at 1010 Massachusetts Avenue.
- And there, we will create a central permitting center to serve businesses and homeowners better. One place; one stop.

Second, we utilize a new public-private development structure to construct the new office building for the school department at the Ferdinand site in Dudley.

- The City will borrow to build the Ferdinand, and we will make sure it serves its public purpose.
- But, we will issue an RFP to hire a developer to provide advice and expertise and attract suitable retail tenants.

This unique partnership allows us to move forward for three main reasons.

One: It reduces construction costs.

Two: It reduces operating costs.

Three: It increases the overall economic impact.

I know there will be pushback as we go. “The Ferdinand is too big or too small. The process is too fast or too slow. The project is too public or too private. It is never going to happen or it never should.” You know what I say: It's too important. It's too central. It's too urgent. We will never know how great Boston can be until Dudley Square is great once again.

These two steps – realigning the city's building portfolio and an innovative public-private building partnership – allow us to achieve the Dudley Plan. I am pleased we now have a responsible roadmap for doing so. Making a vision happen may not be as flashy as launching a new idea, and finishing tough tasks may not seem as exciting as starting new ones, but fulfilling commitments strengthens neighborhoods and helps people.

We will unlock the potential at the Ferdinand, and it will be the catalyst for Dudley redevelopment. As soon as the project starts, confidence in other sites nearby will rise. Working with the community, we have done good planning in Roxbury. This morning, I talked with neighbors at the Haley House about our plans for the Ferdinand as well as the new opportunities. There are prime parcels ready for development, and a new vision for the area can take shape.

We'll have a Revitalized Dudley Core:

- We'll have the Ferdinand at Washington and Warren Street.
- Inside the square, we'll put out a RFP for the former B-2 police station site.
- The Blair Lot will be redeveloped as the other developments come on line.
- The City will make improvements at the Dudley Library to make it more welcoming in the square.
- As we continue investing in Dudley, we will call on the State to make commitments, too. Governor Patrick is deeply committed to this neighborhood. A top priority should be re-orienting the Dudley Station, so it does a better job of drawing people to the Square.
- All of this will improve the prospects for new housing in the neighborhood.

We'll have a New Gateway:

- Just a few blocks away, at the corner of Washington and Melnea Cass, are parcels 8, 9, and 10. They can be the site of new retail and commercial opportunities, preserve the historical aspects of the site, and serve as a key gateway to the Square. We will make sure these are put out for RFP soon.

We'll have Stronger Surroundings:

- As I said, we'll move Fire Headquarters out of Southampton Street and into 1010 Massachusetts Avenue. This will open up a parcel for development and add energy and jobs to our Newmarket industrial area. This area is so important to our economy. The food, supply, and manufacturing businesses in Newmarket support many of Boston's restaurants, hotels, and more and they provide good middle class jobs. By freeing up the Fire Headquarters parcel, we create a new opportunity to help Newmarket thrive.

Any one of these steps would be positive momentum for Dudley, Roxbury, and the City at large. But taken together, they represent a huge step forward for the area and create jobs. All told, this could create one million new square feet of economic activity.

Let me make one final point. The Ferdinand's building won't complete the revitalization of Dudley Square on its own. We shouldn't expect less of the new Ferdinand than our investment suggests: a sustainable building that serves and anchors the community. But we shouldn't expect more than what steel and glass can do. We're going to need other businesses to take a new look at Dudley Square. And as you consider coming, think about this: within a half mile radius of the square, we estimate there is up to 50 million dollars of unmet economic demand every year. That's half a billion dollars over the next 10 years.

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If you talk to grandmothers who grew up in Dudley Square, they will recall a bustling center of city life. You didn't have to leave the square for anything. It didn't matter if you were picking up groceries at Blair's Market or shopping at Dutton's department store, it was all in the square. Their children, however, had a different experience growing up in Dudley. They left the square for many things. Businesses were leaving, but hope remained.

Kids growing up in Dudley Square today have seen much progress. Dartmouth Hotel and Palladio Hall have been reborn. Hibernian Hall has been transformed into the Roxbury Center for the Arts. Orchard Park projects has been redeveloped into the Orchard Gardens townhouses. New housing for our seniors is under construction. Great things are happening here. Today, we don't have to talk Dudley down to build it up.

But there remains work to be done. We're investing in the Ferdinand's building to make sure today's kids never have to rely on their grandmother's stories to recall Dudley Square's heyday. They won't have to because they and their children will be living it.

Thank you. Let's get to work.